

THE MUNICIPALITY OF
RICHTERSVELD

FINANCIAL STATEMENTS

RICHTERSVELD MUNICIPALITY

30TH JUNE 2005

*RICHTERSVELD MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2005*

CONTENTS

	<i>Page</i>
1 GENERAL INFORMATION	1
2 FOREWARD: MAYOR / SPEAKER'S REPORT	2
3 CHIEF FINANCIAL OFFICER'S REPORT	3 - 5
4 ACCOUNTING POLICIES	6 - 9
5 BALANCE SHEET	10
6 INCOME STATEMENT	11
7 CASH FLOW STATEMENT	12
8 NOTES TO THE FINANCIAL STATEMENTS	13 - 21
9 APPENDICES	
A STATUTORY FUNDS, TRUST FUNDS, RESERVES AND PROVISION	22
B EXTERNAL LOANS AND INTERNAL ADVANCES	23
C ANALYSIS OF FIXED ASSETS	24
D ANALYSIS OF OPERATING INCOME AND EXPENDITURE	25
E DETAILED INCOME STATEMENT	26
10 STATISICAL INFORMATION	27 - 29

1

RICHTERSVELD MUNICIPALITY GENERAL INFORMATION

MEMBERS OF THE COUNCIL:

D. Singh (Mayor)
L.R. Ambrosini
A. Delie
C. Richter
W. Cloete
P. Sobuwa
M. Cloete
D. Uys

GRADING OF LOCAL AUTHORITY:

Grade 1

Category B

AUDITOR:

The Auditor-General: Northern Cape

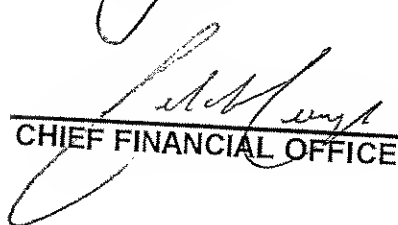
BANKERS:

First National Bank Ltd - Port Nolloth Branch

REGISTERED OFFICE:

Civic Centre
Richtersveld Municipality
Private bag X113
Port Nolloth
8280


MUNICIPAL MANAGER


CHIEF FINANCIAL OFFICER

RICHTERSVELD MUNISIPALITEIT

VOORWOORD VAN DIE BURGEMEESTER RAKENDE DIE FINANSIËLE
STATE 2004/2005

Eerstens moet die Regering van die dag in besonder bedank word vir die hulp en bystand verleen aan Plaaslike Owerhede landswyd, en word hier veral verwys na finansiële bystand sowel as menslike hulpbronne.

Met die bystand soos bo na verwys het die Richtersveld Munisipaliteit weereens 'n mylpaal bereik deur dat die finansiële state op 31 Augustus 2005, gereed was vir voorlegging.

Wat betref voorgeskrewe Wetgewing rakende tydskedules waaraan voldoen moet word is daar ook groot suksesse behaal en veral wat dienslewering betref. Maar wat hierdie aangeleentheid kortwiek is die feit dat talle persone werkloos is, en onder omstandighede ongeag die subsidies wat ontvang word nie vir dienste gelewer kan betaal nie.

Uit die balanstaar van 2004/2005 is die mees kommerwekkendste item die styging van debiteure, wat toegeneem het met 'n persentasie punt van plus minus twaalf (12%) persent. Maar selfs onder die uiters moeilike omstandighede word die finansiële sake van die Richtersveld Munisipaliteit besonder goed hanteer en word alle verpligtinge nagekom.

'n Woord van besondere dank en waardering word gerig aan die personeel van die Richtersveld Munisipaliteit wie 'n bydrae gelewer het onder die leierskap van die Munisipale Bestuurder, ten einde sake op alle gebiede te laat vlot.

Ook wil ek van die geleentheid gebruik maak deur aan my mede Raadslede ongeag die politieke party waaraan diegene behoort te bedank vir hul samewerking en die mooi gesindheid waaronder sommige vuurwarm probleme opgelos is/was in die belang van die gemeenskap wie hul dien.


Dan Singh
BURGEMEESTER

RICHTERSVELD MUNICIPALITY **CHIEF FINANCIAL OFFICER'S REPORT**

1. OPERATING RESULTS

Details of the operating result per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F. The overall operating results for the year ended 30 June 2004 are as follows:

INCOME	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Opening surplus					
Operating income for the year	17 915 709	22 503 393	-20.39%	19 539 931	-8.31%
Closing deficit	2 042 061	2 285 074	-10.63%		
	19 957 770	24 788 467		19 539 931	
EXPENDITURE					
Opening deficit	2 285 074	3 516 169	-35.01%		
Operating expenditure for the year	17 883 787	21 300 424	-16.04%	19 625 436	-8.87%
Sundry transfers	(211 091)		#DIV/0!		
Closing surplus					
	19 957 770	24 816 593		19 625 436	

1.1 Rate and General Services

	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Income	12 121 059	17 239 128	-29.69%	15 206 301	-20.29%
Expenditure	12 964 737	16 819 428	22.92%	15 117 483	14.24%
Surplus/(deficit)	(843 678)	419 699	301.02%	88 818	1049.90%
Surplus/(deficit) as % of total income	-6.96%	2.43%		0.58%	

RICHTERSVELD MUNICIPALITY
CHIEF FINANCIAL OFFICER'S REPORT

1.2 Housing Services

	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Income					
Expenditure			(100)		(100.00)
Surplus/(deficit)	(1)				-
Surplus/(deficit) as % of total income	#DIV/0!	0.00%		0.00%	

1.3 Trading Services

The following is a summary of the operating results of the Municipality's Trading Services.

Electricity Services

	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Income	3 818 900	3 525 867	8.31%	4 115 942	-7.22%
Expenditure	3 414 107	3 020 666	13.02%	3 639 739	6.20%
Surplus/(deficit)	404 793	505 201	-19.87%	476 203	
Surplus/(deficit) as % of total income	10.60%	14.33%		11.57%	

Water Services

	Actual 2005 R	Actual 2004 R	Variance 2005/04 %	Budget 2005 R	Variance Actual/ budget %
Income	1 975 751	1 729 726	14.22%	2 919 298	-32.32%
Expenditure	1 504 944	1 460 329	-3.06%	3 171 265	52.54%
Surplus/(deficit)	470 807	269 397	74.76%	(251 967)	-286.85%
Surplus/(deficit) as % of total income	23.83%	15.57%		-8.63%	

**RICHTERSVELD MUNICIPALITY
CHIEF FINANCIAL OFFICER'S REPORT**

2. CAPITAL EXPENDITURE AND FINANCING

The expenditure consists of the following:

	2004/05 ACTUAL	2004/05 BUDGET	2003/04 ACTUAL
	R	R	R
Council	45 256		42 538
Cemetery			
Commonage			
Property and land			61
Offices and land			
Public Works	2091	17000	981
Roads			
Municipal Manager / Treasury			150 480
Parks and Recreation	3 130	30 826	19 582
Refuse	3 457	62 500	
Sanitation and Sewerage	48 261	108 000	359 664
Fire Brigade			
Health			
Electricity Service	171 000	12 500	105
Museum			
Vehicle Testing Grounds	653	21 000	
Water Service	4 396	15 400	26 064
Workshop	2 474	84 288	370
Library	6 495	5 400	224
Administration	48 901	105 684	
	336 114	462 598	600 069

Resources used to finance the fixed assets were as follows:

	2004/05 ACTUAL	2004/05 BUDGET	2003/04 ACTUAL
	R	R	R
Contribution from operating income	336 114	462 598	28 324
Grants and subsidies			571 745
	336 114	462 598	600 069

3. FUNDS, RESERVES AND PROVISIONS

The movement regarding statutory funds, reserves and trust funds are given in appendix A.

4. APPRECIATION

I would like to thank the Mayor, Councilors, the Municipal Manager and Departmental Heads for the support they have given me and my personnel during the year.

A special word of thanks to the personnel of the Treasury Department for their support in preparing the financial accounts of our municipality.

W. GELDENHUYS
CHIEF FINANCIAL OFFICER

RICHTERSVELD MUNICIPALITY ACCOUNTING POLICIES

1. Basis of presentation

- 1.1 These financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended).
- 1.2 The financial statements are prepared on the historical cost basis, adjusted for fixed assets are more fully detailed in Accounting Policy, note 3.
- 1.3 The financial statements are prepared on the accrual basis:
 - Income is accrued when collectable and measurable. Certain direct income is accrued when received, such as traffic fines and certain licenses.
 - Expenditure is accrued in the year it is incurred.

2. Consolidation

The balance sheet includes Rate and General Services, Housing Service, Trading Services and the different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, electricity and water, which are treated as income and expenditure in the respective departments.

3. Fixed assets

3.1 Fixed assets are stated:

- at historical cost; or
- at valuation (based on the market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Chief Financial Officer.

3.2 Depreciation:

The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:

- Appropriations from operating income, where the full cost of the assets forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.

RICHTERSVELD MUNICIPALITY ACCOUNTING POLICIES

- Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.

3.3 All net proceeds from the sale of fixed assets are credited to the Capital Development fund

3.4 Fixed assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances.

4. Inventory

Inventory (stores and materials) is valued at the lower of cost, determined on the weighted average basis, and net realisable value.

5. Funds and reserves

5.1 *Revolving Fund*

Ordinance 20 of 1974, section 75(1), as amended determines that a local authority must make a minimum contribution of 7,5% in terms of the rates income of the previous financial year towards the revolving fund.

RICHTERSVELD MUNICIPALITY ACCOUNTING POLICIES

5.2 *Loss of Rental*

The contribution towards this fund is determined according to the amount of rental levied during the financial year according to the formula $1/12 \times (\text{maintenance contributions} + \text{insurance} + \text{administration fees})$. This contribution is made compulsory by the Housing Act.

5.3 *Community Facilities*

The contribution towards this fund is determined according to the amount of rental levied during the financial year according to the formula $1\% \times (\text{maintenance contributions} + \text{loss of rental contribution})$. This contribution is made compulsory by the Housing Act.

6. Provisions

Provisions are created for liabilities or contingencies which are known or not known at the date of the balance sheet but for which the amounts involved cannot be determined with substantial accuracy. The following funds are kept:

6.1 *Maintenance: Electricity*

6.2 *Maintenance: Water*

6.3 *Personnel Leave Fund*

7. Retirement benefits

The Municipality and its employees contribute to various funds, which provide retirement benefits to such employees.

The retirement benefit plan is subject to the Pension Fund Act, with pensions being calculated on the final pensionable remuneration paid.

8. Surpluses and deficits

Any surplus or deficits arising from the electricity and water services are transferred to Rate and General Services to alleviate the tax burden of rate payers.

9. Investments

Investments are shown at original value and are invested per approved list of financial institutions issued by the Provincial Administration, Community Development Branch.

Investments were made according to the stipulations of the Second Amendment on the Local Government Transition Act, Act 97 of 1996.

10.1 Electricity and water billings

10.2 Assessment rates

10.3 Traffic Fines and Licenses

11. Consolidated Loan Fund

12. Provision for Bad Debts

12.2 The Chief Financial Officer has formally laid down procedures that are followed in an attempt to recover debts and it is only when a debt is proven to be unrecoverable that it is written off and consequently forms a charge against the operating account.

~~~~~

**RICHTERSVELD MUNICIPALITY**  
**BALANCE SHEET AT 30 JUNE 2005**

|                                                    | Notes | 2005<br>R   | 2004<br>R   |
|----------------------------------------------------|-------|-------------|-------------|
| <b>CAPITAL EMPLOYED</b>                            |       |             |             |
| <b>FUNDS AND RESERVES</b>                          |       |             |             |
| Statutory funds                                    | 1     | 7 894 021   | 7 480 454   |
| Reserves                                           | 2     | 7 894 021   | 7 480 454   |
|                                                    |       | -           |             |
| <b>RETAINED SURPLUS/<br/>(ACCUMULATED DEFICIT)</b> | 18    | (2 042 061) | (2 285 074) |
|                                                    |       | 5 851 960   | 5 195 380   |
| <b>TRUST FUNDS AND PROVISIONS</b>                  | 3     | 2 493 163   | 1 195 592   |
| <b>LONG-TERM LIABILITIES</b>                       | 4     | 8 241 519   | 6 729 062   |
| <b>CONSUMER DEPOSITS: SERVICES</b>                 | 5     | 502 679     | 462 686     |
|                                                    |       | 17 089 322  | 13 582 721  |
| <b>EMPLOYMENT OF CAPITAL</b>                       |       |             |             |
| <b>FIXED ASSETS</b>                                | 6     | 1 599 169   | 1 599 106   |
| <b>LONG-TERM DEBTORS</b>                           | 7     | 21 392      | 23 333      |
|                                                    |       | 1 620 561   | 1 622 439   |
| <b>NET CURRENT ASSETS / LIABILITIES</b>            |       | 15 468 761  | 11 960 282  |
| <b>CURRENT ASSETS</b>                              |       | 19 949 707  | 16 887 526  |
| Stock (Inventory)                                  | 8     | 709 316     | 430 613     |
| Debtors                                            | 9     | 16 190 484  | 14 250 807  |
| Cash in bank and on hand                           | 10    | 3 044 500   | 2 197 463   |
| Short-term portion of long-term debtors            | 7     | 5 407       | 8 643       |
| <b>CURRENT LIABILITIES</b>                         |       | (4 480 946) | (4 927 243) |
| Bank overdraft                                     | 10    | 32 588      |             |
| Provisions                                         | 11    | 651 185     | 985 670     |
| Creditors                                          | 12    | 3 797 173   | 3 741 573   |
| Loans: short-term portion of long-term liabilities | 4     |             | 200 000     |
|                                                    |       | 17 089 322  | 13 582 721  |

| <b>ENDED 30 JUNE 2005</b>          |                                    |                                |                                   |                                    |                                    |
|------------------------------------|------------------------------------|--------------------------------|-----------------------------------|------------------------------------|------------------------------------|
| <b>2003/04</b>                     | <b>2003/04</b>                     | <b>2003/04</b>                 | <b>2004/05</b>                    | <b>2004/05</b>                     | <b>2004/05</b>                     |
| <b>Actual income R</b>             | <b>Actual expenditure R</b>        | <b>Surplus/(deficit) R</b>     | <b>Actual income</b>              | <b>Actual Expenditure</b>          | <b>Surplus/(deficit)</b>           |
| 17 239 128                         | 16 819 428                         | 419 699                        | 12 121 059                        | 12 964 737                         | ( 843 678)                         |
| 14 910 118<br>183 017<br>2 145 993 | 15 337 513<br>163 344<br>1 318 572 | (427 395)<br>19 673<br>827 422 | 9 565 676<br>188 505<br>2 366 878 | 11 069 004<br>241 832<br>1 653 902 | (1 503 327)<br>(53 327)<br>712 976 |
| 8 672                              |                                    | 8 672                          |                                   |                                    | ( 441 436)                         |
| 5 255 593                          | 4 480 996                          | 774 598                        | 5 794 650                         | 4 919 050                          | 875 600                            |
| 22 503 393                         | 21 300 424                         | 1 202 969                      | 17 915 709                        | 17 883 787                         | 31 922                             |
|                                    |                                    | 28 126                         |                                   |                                    | 211 091                            |
|                                    |                                    | 1 231 095                      |                                   |                                    | 243 013                            |
|                                    |                                    | (3 516 169)                    |                                   |                                    | (2 285 074)                        |
|                                    |                                    | (2 285 074)                    |                                   |                                    | (2 042 061)                        |
|                                    |                                    |                                |                                   |                                    | ( 85 505)                          |
|                                    |                                    |                                |                                   |                                    | 355 931                            |
|                                    |                                    |                                |                                   |                                    | ( 564 280)                         |
|                                    |                                    |                                |                                   |                                    | ( 344 552)                         |
|                                    |                                    |                                |                                   |                                    | 467 396                            |

(Refer to appendix D and E for more detail)

# CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

|                                                    | Notes | 2005<br>R   | 2004<br>R   |
|----------------------------------------------------|-------|-------------|-------------|
| <b>CASH RETAINED FROM OPERATING ACTIVITIES</b>     |       | (206 999)   | (1 429 179) |
| Cash generated by operations                       | 18    | (331 630)   | (2 725 210) |
| Investment income                                  | 16    | 125 383     | 1 426 664   |
| (Increase) / decrease in working capital           | 19    | (2 162 779) | (1 863 950) |
| Less: External interest paid                       | 16    | (2 369 026) | (3 162 496) |
| <b>Cash available from operations</b>              |       | (1 312 457) | (1 122 854) |
| Cash contributions from the public and State       |       | (3 681 483) | (4 285 350) |
|                                                    |       | 3 474 484   | 2 856 171   |
| <b>CASH UTILISED IN INVESTING ACTIVITIES</b>       |       |             |             |
| Investment in fixed Assets                         |       | (336 177)   | (1 351 485) |
| Increase / (decrease) in Consumer deposits         |       | 39 993      | 14 695      |
| (Increase) / decrease in LT Debtors                |       | 5 177       | 8 255       |
| <b>NET CASH FLOW</b>                               |       | (498 007)   | (2 757 713) |
| <b>CASH EFFECTS OF FINANCIAL ACTIVITIES</b>        |       |             |             |
| Increase / (decrease) in long-term loans           | 20    | 1 312 457   | 922 854     |
| (Increase) / decrease in cash and cash equivalents | 21    | (814 450)   | 1 834 859   |
| <b>NET CASH (GENERATED) / UTILISED</b>             |       | 498 007     | 2 757 713   |

**RICHTERSVELD MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005**

|                                              | 2005<br>R        | 2004<br>R        |
|----------------------------------------------|------------------|------------------|
| <b>1 STATUTORY FUNDS</b>                     |                  |                  |
| Revolving Fund                               | 7 894 021        | 7 480 454        |
|                                              | <u>7 894 021</u> | <u>7 480 454</u> |
| <i>(Refer to appendix A for more detail)</i> |                  |                  |
| <b>2 RESERVES</b>                            |                  |                  |
|                                              |                  |                  |
| <i>(Refer to appendix A for more detail)</i> |                  |                  |
| <b>3 TRUST FUNDS</b>                         |                  |                  |
| Transitional Grant                           | 70 653           | 66 743           |
| MSP Water Meters                             | 839 555          | 777 799          |
| Reconst.and Dev.                             | 38 494           | 20 399           |
| Volstruis Projek                             |                  | (838 376)        |
| Sizamile Groente Projek                      | 1 553            | 2 285            |
| Aids                                         | 4 982            | 4 942            |
| Sosiale Fooi                                 | 168 678          | 133 931          |
| Dev Action                                   | 61 834           | 92 005           |
| Struwig skenking                             | 1 000            | 1 000            |
| Dept. Art & Culture                          | 11 307           | 11 307           |
| Kuboes pyplyn projek                         | 65 019           | 137 939          |
| NV Nuwe uitbreiding kitskrag                 |                  | 8 684            |
| IDP/GTZ                                      | 143 426          | 106 082          |
| R/Veld Meent                                 | 110 630          | 213 276          |
| Trustfund Projekte                           | 2 478            | 2 521            |
| Rooiwal Elektrifisering                      |                  | 271 515          |
| Refuse cleanest town                         | 65 140           | 50 504           |
| Grondwater Monitering                        | 170 088          | 145 849          |
| Municipal Cultural groups                    | 2 000            | 2 000            |
| Equity share                                 |                  | 5 156            |
| Sanddrift steenwerke                         |                  | (19 968)         |
| Contractor (Ninham Shand)                    | 49 040           |                  |
| Donation NDFT                                | 254 953          |                  |
| Bulk water project (8Mile)                   | 173 316          |                  |
| Land claim / feesvieringe                    |                  |                  |
| FMG grant                                    | 259 017          |                  |
|                                              | <u>2493 163</u>  | <u>1195 592</u>  |

## NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

|                                                             | 2005<br>R | 2004<br>R |
|-------------------------------------------------------------|-----------|-----------|
| <b>4. LONG TERM LIABILITIES</b>                             |           |           |
| Annuity Loan                                                | 8 241 519 | 6 929 062 |
|                                                             | <hr/>     | <hr/>     |
| Less: Current portion transferred to<br>current liabilities | 8 241 519 | 6 929 062 |
|                                                             |           | (200 000) |
|                                                             | <hr/>     | <hr/>     |
|                                                             | 8 241 519 | 6 729 062 |
|                                                             | <hr/>     | <hr/>     |

*(Refer to appendix B for more detail  
on long term liabilities)*

**ANNUITY LOANS**

The annuity loans bear interest at rates between 6.5% and 18.75% p.a.  
The Municipality is currently not paying the loans promptly, with the result  
all of the arrear interest on the loans have been capitalised.  
None of the loans are secured by any assets of the Municipality.



**RICHTERSVELD MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued**

|                                         | 2005<br>R      | 2004<br>R      |
|-----------------------------------------|----------------|----------------|
| <b>5. CONSUMERS DEPOSITS - SERVICES</b> |                |                |
| Consumers                               | 442 214        | 410 005        |
| City Hall                               | 5 490          | 5 289          |
| Elections                               | 1 932          | 1 932          |
| Tenders                                 | 300            | 300            |
| Building Material waste                 | 51 413         | 43 830         |
| Damage to Caravan Parks                 | 130            | 130            |
| Rental of Council Residence             | 1 200          | 1 200          |
|                                         | <u>502 679</u> | <u>462 686</u> |

**6. FIXED ASSETS**

|                                                                   |                   |                   |
|-------------------------------------------------------------------|-------------------|-------------------|
| Fixed assets at the beginning of the year                         | 20 030 835        | 18 679 413        |
| Capital expenditure during the year                               | 336 177           | 1 351 485         |
| Account adjustments due to computer error                         |                   |                   |
| Less: Assets written off, transferred or disposed during the year |                   | ( 63)             |
| <b>Total fixed assets</b>                                         | <u>20 367 012</u> | <u>20 030 835</u> |
| Less: Loans redeemed and other capital receipts                   | (18 767 843)      | (18 431 729)      |
| <b>Net fixed assets</b>                                           | <u>1 599 169</u>  | <u>1 599 106</u>  |

*(Refer to appendix C and section 2 of the Treasurer's report for more detail on the fixed assets)*

RICHTERSVELD MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

|                                                                                                                                                                                      | 2005<br>R         | 2004<br>R         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>7 LONG TERM DEBTORS</b>                                                                                                                                                           |                   |                   |
| Staff loans                                                                                                                                                                          | 26 799            | 31 976            |
| <i>Less: Short-term portion transferred to current assets</i>                                                                                                                        | 26 799<br>(5 407) | 31 976<br>(8 643) |
|                                                                                                                                                                                      | <u>21 392</u>     | <u>23 333</u>     |
| <b>8 STOCK (INVENTORY)</b>                                                                                                                                                           |                   |                   |
| Stock represents consumable stores, raw materials, work in progress and finished goods. Where necessary specific provision is made for obsolete stock. Physical Stock taken 30/06/04 |                   |                   |
|                                                                                                                                                                                      | <u>709 316</u>    | <u>430 613</u>    |
| <b>9 DEBTORS</b>                                                                                                                                                                     |                   |                   |
| Current debtors (consumers & others)                                                                                                                                                 | 17 642 181        | 15 181 427        |
| Paid in advance                                                                                                                                                                      |                   |                   |
| <i>Less: Provision for bad debts</i>                                                                                                                                                 | 17 642 181        | 15 181 427        |
| Amounts included under debtors with credit balances                                                                                                                                  | (1,451,696)       | (411,696)         |
| <i>No amount were written off as bad debt during this year.</i>                                                                                                                      | <u>16 190 484</u> | <u>14 250 807</u> |
| <b>10 CASH IN BANK AND ON HAND</b>                                                                                                                                                   |                   |                   |
| Caravanpark                                                                                                                                                                          |                   |                   |
| Cashier                                                                                                                                                                              | 30                | 30                |
| Cashier - Motorregistrations                                                                                                                                                         | 100               | 100               |
| Cashier Electricity cards                                                                                                                                                            | 50                | 50                |
| J.W.H du Plessis Caravan Park                                                                                                                                                        | 100               | 100               |
| Water meters : Pre Paid                                                                                                                                                              |                   | 30                |
|                                                                                                                                                                                      | <u>100</u>        | <u>100</u>        |
| Cash book balance (Main Account)                                                                                                                                                     | 380               | 410               |
| Sizamile Groenle Projek                                                                                                                                                              | (32 588)          | 113 959           |
| Social Plan Fund                                                                                                                                                                     | 1 553             | 3 691             |
| Richtersveld projekte                                                                                                                                                                | 4 982             | 4 942             |
| Richtersveld Meent                                                                                                                                                                   | 12 611            | 26 900            |
| MSP Watermeters                                                                                                                                                                      | 110 630           | 214 785           |
| Volstruis Bankrekening                                                                                                                                                               | 839 555           | 811 442           |
| Recon. And Development bank                                                                                                                                                          |                   | 1 585             |
| IDP Daggeld                                                                                                                                                                          |                   | 19 313            |
| Daggeld - ENB                                                                                                                                                                        | 144 730           | 111 383           |
| Sosiale Fooie                                                                                                                                                                        | 70 653            | 57 998            |
| Refuse cleanest town                                                                                                                                                                 | 177 224           | 112 612           |
| Groundwater monitoring                                                                                                                                                               | 65 254            | 50 696            |
| Kubus water pypleiding                                                                                                                                                               | 170 088           | 145 849           |
| Daggeld - ENB                                                                                                                                                                        | 65 624            | 141 776           |
| Development action                                                                                                                                                                   | 78 509            | 9 327             |
| Equity share bank                                                                                                                                                                    | 61 312            | 94 126            |
| Rootwal elektrifisering                                                                                                                                                              | 168 820           | 5 156             |
| Skenkings ontvang                                                                                                                                                                    |                   | 271 515           |
| Grootnaat water projek (8myl)                                                                                                                                                        | 254 953           |                   |
| Ninhanshand                                                                                                                                                                          | 173 418           |                   |
| Verlofgratifikasie                                                                                                                                                                   | 114 457           |                   |
| Recon & Development bank                                                                                                                                                             | 232 235           |                   |
| Finance Management Grant (FMG)                                                                                                                                                       | 38 494            |                   |
|                                                                                                                                                                                      | <u>259 017</u>    |                   |
|                                                                                                                                                                                      | <u>3 011 913</u>  | <u>2 197 463</u>  |
| <b>11 PROVISIONS</b>                                                                                                                                                                 |                   |                   |
| Admiraliteit                                                                                                                                                                         |                   |                   |
| Burgerlike beskerming                                                                                                                                                                |                   | 410 198           |
| Elek. Tarief stabiel                                                                                                                                                                 |                   | 1 835             |
| Elektrisiteit hernuwing                                                                                                                                                              |                   | 49 893            |
| Verlofgratifikasie                                                                                                                                                                   |                   | 188 428           |
| Water hernuwing                                                                                                                                                                      | 651 185           | 253 418           |
|                                                                                                                                                                                      |                   | 81 898            |
|                                                                                                                                                                                      | <u>651 185</u>    | <u>985 670</u>    |

(Refer to appendix A for more detail)

**RICHTERSVELD MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued**

| <b>12 CREDITORS</b> | <b>2005</b>      | <b>2004</b>      |
|---------------------|------------------|------------------|
|                     | <b>R</b>         | <b>R</b>         |
| Creditors - Trading | 2 836 042        | 2 885 125        |
| Vat Control account | 961 131          | 856 447          |
|                     | <u>3 797 173</u> | <u>3 741 572</u> |

**13. ASSESSMENT RATES**

|             | Site<br>Valuations<br>as at<br>1st July 2001<br>R'000 | Improvement<br>valuation<br>as at<br>1st July 2003<br>R'000 | Actual<br>income<br>2005<br>R | Actual<br>income<br>2004<br>R |
|-------------|-------------------------------------------------------|-------------------------------------------------------------|-------------------------------|-------------------------------|
| Residential | 94 005 999                                            | 1 079 100                                                   | 2 559 788                     | 2 181 476                     |
| Commercial  | 16 622 318                                            | 77 500                                                      |                               |                               |
| State       |                                                       |                                                             |                               |                               |
| Municipal   |                                                       |                                                             |                               |                               |
|             | <u>110 628 317</u>                                    | <u>1 156 600</u>                                            | <u>2 559 788</u>              | <u>2 181 476</u>              |

**14. COUNCILORS REMUNERATION**

|                                   | <b>2005</b>    | <b>2004</b>    |
|-----------------------------------|----------------|----------------|
|                                   | <b>R</b>       | <b>R</b>       |
| Mayor's Allowance                 | 149 945        | 115 169        |
| Councilors allowance              | 206 508        | 151 730        |
| Councilor's pension contributions | 16 161         | 14 297         |
|                                   | <u>372 614</u> | <u>281 195</u> |

**15. AUDITORS REMUNERATION**

|            |                |                |
|------------|----------------|----------------|
| Audit fees | <u>150 000</u> | <u>185 325</u> |
|------------|----------------|----------------|

**RICHTERSVELD MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued**

|                                                            | 2005<br>R          | 2004<br>R          |
|------------------------------------------------------------|--------------------|--------------------|
| <b>16. FINANCIAL TRANSACTIONS</b>                          |                    |                    |
| Total external interest earned or paid                     |                    |                    |
| Interest earned                                            | 125 383            | 1,426,664          |
| Interest paid                                              | 1 328 354          | 1,122,854          |
|                                                            | <u>1 328 354</u>   | <u>1,122,854</u>   |
| Capital charges debited to operating account               |                    |                    |
| Interest Paid :External                                    | 1 328 354          | 1,122,854          |
| :Internal                                                  |                    |                    |
| Redemption :External                                       |                    | -                  |
| :Internal                                                  |                    | -                  |
| Deferred cost written off                                  |                    |                    |
|                                                            | <u>1 328 354</u>   | <u>1 122 854</u>   |
| <b>17. APPROPRIATIONS</b>                                  |                    |                    |
| Appropriation account                                      |                    |                    |
| Accumulated surplus / deficit at the beginning of the year | (2 285 074)        | (3 516 169)        |
| Accumulated surplus / (deficit) for the year               | 31 922             | 1 202 969          |
| Appropriations for the year                                | 211 091            | 28 126             |
| Prior year adjustments                                     | 211 091            | 28 126             |
| Accumulated surplus / (deficit) at the end of the year     | <u>(2 042 061)</u> | <u>(2 285 074)</u> |
| Operation account                                          |                    |                    |
| Capital expenditure                                        | 336 177            | 1 351 485          |
| Contributions to :                                         |                    |                    |
| Revolving fund                                             | -                  | -                  |
| Reserve fund                                               | -                  | -                  |
| Provisions                                                 | 56 700             | 188 949            |
| Trust funds                                                | -                  | -                  |
|                                                            | <u>392 877</u>     | <u>1 540 434</u>   |

# NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

|                                                                      | 2005<br>R          | 2004<br>R          |
|----------------------------------------------------------------------|--------------------|--------------------|
| <b>18. CASH GENERATED BY OPERATIONS</b>                              |                    |                    |
| Surplus / (deficit) for the year                                     | 31 922             | 1 202 969          |
| Adjustments in respect of the previous year's operating transactions |                    |                    |
| Adjustments made to fixed assets(see annex C)                        |                    |                    |
| Prior year adjustments<br>(See note 24 for more detail)              | 211 091            | 28 126             |
| Appropriations debited to income                                     |                    |                    |
| -Capital expenditure                                                 |                    |                    |
| -Provisions and Reserve                                              |                    |                    |
| -Capital Development fund/Revolving fund                             |                    |                    |
| Capital charges                                                      |                    |                    |
| Interest paid :                                                      |                    |                    |
| - to internal funds                                                  | 1 312 457          | 1 122 854          |
| - to external loans                                                  |                    |                    |
| Redemption :                                                         |                    |                    |
| - From internal funds                                                | 1 312 457          | 1,122,854          |
| - From external loans                                                |                    |                    |
| Fixed assets written off                                             |                    |                    |
| Grants and subsidies received from State                             |                    | 63                 |
| Non-operating income                                                 | (3 138 370)        | (2,856,171)        |
| - Sale of Erven                                                      |                    |                    |
| - Net other income                                                   |                    | (325 786)          |
| Non-operating expenditure                                            | (125 383)          | (1,426,664)        |
| - Expenditure charge against Funds, Provisions and Reserves          |                    |                    |
|                                                                      | <u>1,376,653</u>   | <u>(470,601)</u>   |
|                                                                      | <u>(331 630)</u>   | <u>(2 725 210)</u> |
| <b>19. (INCREASE) / DECREASE IN WORKING CAPITAL</b>                  |                    |                    |
| (Increase) / decrease in stock                                       | (278 703)          | (140 616)          |
| (Increase) / decrease in debtors                                     | (1 939 677)        | (2 654 013)        |
| Increase / (decrease) in creditors                                   | 55 601             | 930 679            |
|                                                                      | <u>(2 162 779)</u> | <u>(1 863 950)</u> |
| <b>20. INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)</b>       |                    |                    |
| Loans raised                                                         | 1 312 457          | 1 122 854          |
| Arrear interest capitalised & other debits & credits                 |                    | (200 000)          |
| Loans repaid                                                         | <u>1 312 457</u>   | <u>922 854</u>     |

# NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued

|                                                        | 2005<br>R         | 2004<br>R        |
|--------------------------------------------------------|-------------------|------------------|
| 21. (INCREASE) / DECREASE IN CASH AND CASH EQUIVALENTS |                   |                  |
| Cash balance at the beginning of the year              | 2 197 462         | 4 032 321        |
| Less : Cash balance at the end of the year             | 3 011 912         | 2 197 462        |
|                                                        | <u>( 814 450)</u> | <u>1 834 859</u> |
| 22. RETIREMENT BENEFITS                                |                   |                  |

The retirement benefit plan is subject to the Pension Fund Act, with pensions being calculated on the final pensionable remuneration paid.

**RICHTERSVELD MUNICIPALITY**  
**NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2005 - Continued**

|                                              | 2005<br>R   | 2004<br>R    |
|----------------------------------------------|-------------|--------------|
| <b>23. CONSOLIDATED LOANS FUND</b>           |             |              |
| External loans (see appendix B)              | 8 241 519   | 6 929 062    |
| Internal investments (surplus funds)         | 1 749 656   | 1,749,656.00 |
| Creditors                                    | 3 797 173   | 3 741 573    |
|                                              | 13 788 348  | 12 420 291   |
| Less:                                        | -16 217 284 | -14 282 784  |
| External investments                         | (26,799)    | (31,976)     |
| Debtors                                      | -16 190 484 | (14,250,807) |
|                                              | -2 428 935  | (1,862,493)  |
| (Refer to appendix B for more detail)        |             |              |
| Net expenditure charged to borrowing service |             |              |
| Interest paid on external loans              | 1 328 354   | 1 122 854    |
| Interest paid on internal investments        | 1 328 354   | 1 122 854    |
| Less: Interest earned on external investment | -           | -            |
|                                              | 1 328 354   | 1 122 854    |
| <b>24. PRIOR YEAR ADJUSTMENTS</b>            |             |              |
| Bank Control                                 |             | (11,576)     |
| Consumer Deposits                            |             | -            |
| Revolving Fund                               |             | 354,511      |
| Trust Funds                                  |             | (294,247)    |
| Reserves                                     |             | -            |
| Fixed Assets                                 |             | -            |
| Capital Redemption & other Capital Receipts  |             | -            |
| Creditors                                    |             | -            |
| Debtors                                      |             | 25,053       |
| Stores                                       |             | 23,718       |
| Provisions                                   |             | 42,887       |
| Previous Year Appropriations                 | 211,091     | 1,371,309    |
|                                              | 211 091     | 1,680,955    |
| <b>25. REVOLVING FUND</b>                    |             |              |
| Outstanding Advance to Borrowing Service:    |             |              |
| Accumulated Fund                             | 7 894 021   | 7 480 454    |
| Less : External Investments                  | 7 894 021   | 7 480 454    |
|                                              |             |              |
| <b>26. Donations external</b>                |             |              |
| Skenking(Vote 220654)                        |             | 2 821 834    |
| LGTF (Vote 220689)                           |             | -            |
| Rente/ekterne (Vote 220607)                  |             | 358 189      |
| Projekte Inkomste (Vote 220694)              |             | 2 851 015    |
|                                              |             | 6 031 039    |

RICHTERSVELD MUNICIPALITY  
APPENDIX A

ACCUMULATED FUNDS, TRUST FUNDS, RESERVES AND PROVISIONS  
FOR THE YEAR ENDED 30 JUNE 2005

| ACCUMULATED FUNDS                    | Balance at<br>6/30/04<br>R | Contributions<br>during<br>the year<br>R | Interest<br>on<br>Investments<br>R | Other<br>income<br>R | Expenditure<br>during<br>the year<br>R | Balance at<br>6/30/05<br>R |
|--------------------------------------|----------------------------|------------------------------------------|------------------------------------|----------------------|----------------------------------------|----------------------------|
| Revolving Fund                       | 7 480 454                  | 163 611                                  |                                    | 259 956              | (10 000)                               | 7 894 021                  |
|                                      | 7 480 454                  | 163 611                                  |                                    | 259 956              | (10 000)                               | 7 894 021                  |
| <b>TRUST FUNDS</b>                   |                            |                                          |                                    |                      |                                        |                            |
| 330-20- 1 Transitional Grant         | 66,743                     |                                          | 4 474                              | 183 841              | (184 405)                              | 70 653                     |
| 330-20- 2 MSP Water Meters           | 777,799                    |                                          | 41 994                             | 299 294              | (279 532)                              | 839 555                    |
| 330-20- 3 Reconstand Dev.            | 20,399                     |                                          | 1 260                              | 17 176               | (341)                                  | 38 494                     |
| 330-20- 4 Volstruis Projek           | (838,376)                  | 25 096                                   | 8                                  | 857 722              | (44 450)                               |                            |
| 330-20- 5 Sizamile Croonste Projek   | 2,285                      |                                          | 31                                 |                      | (763)                                  | 1 553                      |
| 330-20- 6 Social Plan Fund           | 4,942                      |                                          | 60                                 |                      | (20)                                   | 4 982                      |
| 330-20- 7 Sociale Pooi               | 133,931                    | 84 514                                   | 7 488                              |                      | (57 255)                               | 168 678                    |
| 330-20- 8 Dev Aetion                 | 92,005                     | 1 467                                    | 2 753                              |                      | (34 391)                               | 61 834                     |
| 330-20- 9 Struwig skenking           | 1,000                      |                                          |                                    |                      |                                        | 1 000                      |
| 330-20- 10 Dept. Art & Culture       | 11,307                     |                                          |                                    |                      |                                        | 11 307                     |
| 330-20- 11 Kiboes pyplyn projek      | 137,939                    | 116 373                                  | 4 154                              | 8 612                | (202 059)                              | 65 019                     |
| 12 NV Nuwe uitbreiding kitskrag      | 8,684                      |                                          | 50                                 |                      | (8 734)                                | (0)                        |
| 330-20- 13 IDP/GTZ                   | 106,082                    | 58 784                                   | 6 768                              | 195                  | (28 403)                               | 143 426                    |
| 330-20- 14 R/Veld Meent Trust fund   | 213,276                    | 101 803                                  | 7 509                              |                      | (211 958)                              | 110 630                    |
| 330-20- 15 Trustfund Projekte        | 2,521                      |                                          |                                    |                      | (43)                                   | 2 478                      |
| 16 Riiool Elektroffearing            | 271,515                    |                                          | 8 132                              |                      | (279 647)                              | 0                          |
| 330-20- 17 Rafusa Cleanest Town      | 50,504                     | 90 765                                   | 1 391                              |                      | (77 520)                               | 65 140                     |
| 330-20- 18 Chondwater Monitoring     | 145,849                    | 212 784                                  | 4 282                              |                      | (192 827)                              | 170 088                    |
| 330-20- 19 Steenprojek               | (19,968)                   |                                          |                                    | 20 000               | (32)                                   | -                          |
| 20 Equitable Share                   | 5,156                      |                                          | 302                                |                      | (5 458)                                | -                          |
| 330-20- 21 Municipal Cultural Groups | 2,000                      |                                          |                                    |                      |                                        | 2 000                      |
| 330-20- Contraktor (Ninham Shand)    |                            | 784 784                                  | 3 125                              |                      | (738 869)                              | 49 040                     |
| 330-20- Donation NDFT                |                            | 250 000                                  | 4 953                              |                      |                                        | 254 953                    |
| 330-20- Bulk water project (8Mile)   |                            | 288 824                                  | 3 600                              | 541                  | (119 649)                              | 173 316                    |
| 330-20- Land claim / feesvriarings   |                            | 18 196                                   |                                    | 12 833               | (31 029)                               | -                          |
| 330-20- FMG grant                    |                            | 250 000                                  | 9 202                              |                      | (185)                                  | 259 017                    |
|                                      | 1 195 592                  | 2 283 390                                | 111 536                            | 1 400 214            | (2497 570)                             | 2 493 162                  |
| <b>RESERVES</b>                      |                            |                                          |                                    |                      |                                        |                            |
| <b>PROVISIONS</b>                    |                            |                                          |                                    |                      |                                        |                            |
| 1 Water hernuwing                    | 81 898                     |                                          |                                    |                      | (81 898)                               | -                          |
| 2 Elektrasiteit hernuwing            | 188 428                    |                                          |                                    |                      | (188 428)                              | -                          |
| 3 Verlofgatifikasie                  | 253 418                    | 56 700                                   | 943                                | 433 417              | (93 293)                               | 651 185                    |
| 4 Elek. Tarief stabiel               | 49 893                     |                                          |                                    |                      | (49 893)                               | -                          |
| 5 Burgerlike beskerming              | 1 835                      |                                          |                                    |                      | (1 835)                                | -                          |
| 6 Admiraliteit                       | 410 198                    |                                          |                                    |                      | (410 198)                              | -                          |
|                                      | 985 670                    | 56 700                                   | 943                                | 433 417              | (825 545)                              | 651 185                    |
|                                      | 9 661 715                  | 2 503 701                                | 112 479                            | 2 093 587            | (3333 115)                             | 11 038 367                 |



# RICHTERSVELD MUNICIPALITY

## APPENDIX B

### EXTERNAL LOANS AND INTERNAL ADVANCES FOR THE YEAR ENDED 30 JUNE 2005

| EXTERNAL LOANS                            |                      |          |            | Balance at<br>30/06/04 | Received<br>during<br>the year | Redeemed<br>or written off<br>during<br>the year | Interest<br>charged<br>during<br>the year | Balance at<br>30/06/05 |
|-------------------------------------------|----------------------|----------|------------|------------------------|--------------------------------|--------------------------------------------------|-------------------------------------------|------------------------|
| Loan no.                                  | Detail/Aim           | Approved | Redeemable | R                      | R                              | R                                                | R                                         | R                      |
|                                           | Annuity loans (DBSA) |          |            | 6 929 062              |                                |                                                  | 1 312 457                                 | 8 241 519              |
|                                           |                      |          |            | 6 929 062              |                                | #                                                | 1 312 457                                 | 8 241 519              |
| INTERNAL ADVANCES<br>TO BORROWING SERVICE |                      |          |            | Balance at<br>30/06/04 | Received<br>during<br>the year | Redeemed or<br>Written of<br>during the year     | Interest<br>charged<br>during<br>the year | Balance at<br>30/06/05 |
|                                           |                      |          |            | R                      | R                              | R                                                |                                           | R                      |
|                                           | Revolving Fund       |          |            |                        |                                |                                                  |                                           |                        |

RICHTERSVELD MUNICIPALITY  
APPENDIX C  
ANALYSIS OF FIXED ASSETS  
FOR THE YEAR ENDED 30 JUNE 2005

| Expenditure<br>2004<br>R |                                                           | Budget<br>2005<br>R | Balance at<br>30/06/04<br>R | Expenditure<br>during year<br>R | Account<br>Adjustments<br>R | Written off<br>transferred<br>Redeemed or<br>disposed of<br>during the<br>year<br>R | Balance at<br>30/06/05<br>R |
|--------------------------|-----------------------------------------------------------|---------------------|-----------------------------|---------------------------------|-----------------------------|-------------------------------------------------------------------------------------|-----------------------------|
| 1 351 485                | <b>RATES AND GENERAL SERVICE</b>                          |                     | 11 661 212                  | 336 114                         | 63                          |                                                                                     | 11 997 389                  |
| 1351 485                 | Community service                                         |                     | 9 372 803                   | 336 114                         |                             |                                                                                     | 9 708 917                   |
| 233 962                  | Land and buildings                                        |                     | 818 517                     |                                 |                             |                                                                                     | 818 517                     |
| 1 039 040                | Administration Cost                                       |                     | 287 820                     |                                 |                             |                                                                                     | 287 820                     |
| 75 345                   | Streets and storm water                                   |                     | 2 602 740                   |                                 |                             |                                                                                     | 2 602 740                   |
|                          | Vehicles and equipment                                    |                     | 3 192 016                   | 223 418                         |                             |                                                                                     | 3 415 434                   |
|                          | Furniture and equipment                                   |                     | 1 128 993                   | 104 435                         |                             |                                                                                     | 1 233 428                   |
|                          | Vehicle Testing Grounds                                   |                     | 305 858                     |                                 |                             |                                                                                     | 305 858                     |
|                          | Workshop                                                  |                     | 174 083                     |                                 |                             |                                                                                     | 174 083                     |
|                          | Grave yard                                                |                     | 46 976                      |                                 |                             |                                                                                     | 46 976                      |
|                          | Offices                                                   |                     | 692 905                     |                                 |                             |                                                                                     | 692 905                     |
| 3 138                    | Machinery & equipment                                     |                     | 122 895                     | 8 261                           |                             |                                                                                     | 131 156                     |
|                          | Subsidised service                                        |                     | 1 291 171                   |                                 | 63                          |                                                                                     | 1 291 234                   |
|                          | Ambulance Service                                         |                     | 85 113                      |                                 |                             |                                                                                     | 85 113                      |
|                          | Fire Brigade                                              |                     | 15 000                      |                                 |                             |                                                                                     | 15 000                      |
|                          | Clinics                                                   |                     | 833 401                     |                                 |                             |                                                                                     | 833 401                     |
|                          | Sports Grounds                                            |                     | 105 600                     |                                 |                             |                                                                                     | 105 600                     |
|                          | Parks                                                     |                     | 252 057                     |                                 | 63                          |                                                                                     | 252 120                     |
|                          | Library                                                   |                     |                             |                                 |                             |                                                                                     |                             |
|                          | Economic service                                          |                     | 997 238                     |                                 |                             |                                                                                     | 997 238                     |
|                          | Water                                                     |                     | 484 002                     |                                 |                             |                                                                                     | 484 002                     |
|                          | Sewerage                                                  |                     | 513 236                     |                                 |                             |                                                                                     | 513 236                     |
|                          | <b>HOUSING SERVICE</b>                                    |                     | 628 104                     |                                 |                             |                                                                                     | 628 104                     |
|                          | Welfare                                                   |                     |                             |                                 |                             |                                                                                     |                             |
|                          | Individual Housing                                        |                     | 628 104                     |                                 |                             |                                                                                     | 628 104                     |
|                          | <b>TRADING SERVICE</b>                                    |                     | 7 741 519                   |                                 |                             |                                                                                     | 7 741 519                   |
|                          | Electricity                                               |                     | 3 746 694                   |                                 |                             |                                                                                     | 3 746 694                   |
|                          | Water                                                     |                     | 1 832 813                   |                                 |                             |                                                                                     | 1 832 813                   |
|                          | Caravan Parks                                             |                     | 2 162 012                   |                                 |                             |                                                                                     | 2 162 012                   |
| 1351 485                 | <b>TOTAL FIXED ASSETS</b>                                 |                     | 20 030 835                  | 336 114                         | 63                          |                                                                                     | 20 367 012                  |
| 1351 485                 | <b>LESS : CAPITAL REDEEMED AND OTHER CAPITAL RECEIPTS</b> |                     | 18 431 729                  | 336 114                         |                             |                                                                                     | 18 767 843                  |
| 1 132 685                | Loans redeemed and advances repaid                        |                     | 10 209 811                  |                                 |                             |                                                                                     | 10 209 811                  |
| 218 800                  | Contributions from operating income                       |                     | 3 474 833                   | 336 114                         |                             |                                                                                     | 3 810 947                   |
|                          | Grants and subsidies                                      |                     | 4 747 085                   |                                 |                             |                                                                                     | 4 747 085                   |
| (0)                      | <b>NET FIXED ASSETS</b>                                   |                     | 1 599 106                   |                                 | 63                          |                                                                                     | 1 599 169                   |

**RICHTERSVELD MUNICIPALITY**  
**APPENDIX D**  
**ANALYSIS OF OPERATING INCOME AND EXPENDITURE**  
**FOR THE YEAR ENDED 30 JUNE 2005**

| Actual<br>2004<br>R |                                | Actual<br>2005<br>R | Budget<br>2005<br>R |
|---------------------|--------------------------------|---------------------|---------------------|
| <b>INCOME</b>       |                                |                     |                     |
| 2 856 171           | <b>GRANTS AND SUBSIDIES</b>    | 3 138 370           | 3 138 000           |
| 2 856 171           | - Central Government           | 3 138 370           | 3 138 000           |
|                     | - Provincial                   |                     |                     |
|                     | - Other grants                 |                     |                     |
| 19 647 221          | <b>OPERATING INCOME</b>        | 14 777 339          | 16 401 931          |
| 2 179 936           | - Assessment rates             | 2 372 842           | 2 500 000           |
| 3 347 572           | - Sale of electricity          | 3 656 229           | 3 583 106           |
| 1 350 865           | - Sale of water                | 1,595,987           | 1 975 087           |
| 11 342 184          | - Sundry                       | 7,026,898           | 8,333,738           |
| 1 426 664           | - Interest earned              | 125 383             | 10 000              |
| <u>22 503 392</u>   |                                | <u>17 915 709</u>   | <u>19 539 931</u>   |
| <b>EXPENDITURE</b>  |                                |                     |                     |
| 6 078 275           | Salaries, wages and allowances | 6 508 987           | 5 786 373           |
| 6 951 157           | General expense                | 8 266 016           | 9 458 632           |
| 1 829 035           | - Purchase of electricity      | 2 035 311           | 2 504 356           |
| 598 128             | - Purchase of water            | 489 501             | 550 000             |
| 4 523 994           | - Other general expenses       | 5 741 204           | 6 404 276           |
| 773 787             | Repairs and maintenance        | 705 600             | 1 727 884           |
| 1 122 854           | Capital charges                | 1 312 457           | 902 236             |
| 351 256             | Contributions to fixed assets  | 150 443             | 769 914             |
| 6 023 096           | Contributions to funds         | 940 283             | 980 397             |
| <u>21 300 425</u>   | <b>Gross expenditure</b>       | <u>17 883 787</u>   | <u>19 625 436</u>   |
| <u>21 300 425</u>   | Less : Amounts charge out      | <u>17 883 787</u>   | <u>19 625 436</u>   |
|                     | <b>Net expenditure</b>         |                     |                     |

RICHTERSVELD MUNICIPALITY  
APPENDIX E  
DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2005

| 2004<br>Actual<br>income<br>R | 2004<br>Actual<br>expenditure<br>R | 2004<br>Surplus<br>(deficit)<br>R |                                                                | 2005<br>Actual<br>income<br>R | 2005<br>Actual<br>expenditure<br>R | 2005<br>Surplus<br>(Deficit)<br>R | 2005<br>Budget<br>Surplus /<br>(Deficit)<br>R |
|-------------------------------|------------------------------------|-----------------------------------|----------------------------------------------------------------|-------------------------------|------------------------------------|-----------------------------------|-----------------------------------------------|
| 17 239 128                    | 16 819 428                         | 419 699                           | <b>RATE AND GENERAL SERVICES</b>                               | 12 121 059                    | 12 964 737                         | (843 678)                         | (441 436)                                     |
| 14 910 118                    | 15 337 513                         | (427 395)                         | Community services                                             | 9 565 676                     | 11 069 004                         | (1503 327)                        | (564 280)                                     |
| 2 181 476                     | 103 999                            | 2 181 476                         | Assessment rates                                               | 2 373 395                     | 163 611                            | 2 209 784                         | 2 227 303                                     |
| 160 449                       | 631 989                            | 56 451                            | Commonage                                                      | 149 304                       | 110 434                            | 38 870                            | 162 481                                       |
| 358 129                       | 3 124                              | (273 860)                         | General council expenditure                                    | 438 582                       | 1 327 476                          | (888 894)                         | (1 051 560)                                   |
| 7 522                         | 8 398                              | 4 398                             | Grave yard                                                     | 6 736                         | 2 724                              | 4 012                             | (26 435)                                      |
| 150 931                       | 83 537                             | (67 414)                          | Museums                                                        |                               | 7 851                              | (7 851)                           | (12 943)                                      |
| 528 866                       | 797 365                            | (268 499)                         | Offices and property                                           | 223 245                       | 96 029                             | 127 216                           | 15 434                                        |
| 9 913                         | 7 507                              | 2 406                             | Parks, recreation and resort                                   | 546 285                       | 817 983                            | (271 698)                         | (451 303)                                     |
| 35 131                        | 351 978                            | (316 846)                         | Property and land                                              | 6 165                         | 7 587                              | (1 422)                           | 41 096                                        |
| 53 442                        | 2 826 541                          | (2773 099)                        | Public works / Workshop/vehicle                                | 70 808                        | 445 372                            | (374 564)                         | (2 442 934)                                   |
| 11 971 334                    | 10 454 861                         | 916 474                           | Roads                                                          | 5 708 286                     | 3 197 079                          | 2 511 207                         | 1 109 028                                     |
| 52 903                        | 68 215                             | (15 312)                          | Administration                                                 | 42 870                        | 4 777 066                          | (4 734 196)                       | (134 547)                                     |
|                               |                                    |                                   | Vehicle testing grounds                                        |                               | 115 792                            | (115 792)                         |                                               |
| 183 017                       | 163 344                            | 19 673                            | Subsidized services                                            | 188 505                       | 241 832                            | (53 327)                          | (344 552)                                     |
| 179 470                       | 8 424                              | 171 046                           | Environment and health                                         | 185 178                       | 96 318                             | 88 860                            | (51 060)                                      |
| 3 547                         | 41 769                             | (41 769)                          | Fire brigade                                                   | 3 327                         | 25 613                             | (22 286)                          | (133 884)                                     |
|                               | 113 151                            | (109 604)                         | Library                                                        |                               | 119 901                            | (116 574)                         | (159 608)                                     |
| 2 145 993                     | 1 318 572                          | 827 422                           | Economic service                                               | 2 366 878                     | 1 653 902                          | 712 976                           | 467 396                                       |
| 1 033 378                     | 651 541                            | 381 836                           | Refuse                                                         | 1 148 588                     | 729 775                            | 418 813                           | 293 712                                       |
| 1 112 615                     | 667 030                            | 445 585                           | Sewerage                                                       | 1 218 290                     | 924 127                            | 294 163                           | 173 684                                       |
| 8 672                         |                                    | 8 672                             | <b>HOUSING SERVICE</b>                                         |                               |                                    |                                   |                                               |
| 8 672                         |                                    | 8 672                             | Housing                                                        |                               |                                    |                                   |                                               |
| 5 255 593                     | 4 480 996                          | 774 598                           | <b>TRADING SERVICE</b>                                         | 5 794 650                     | 4 919 050                          | 875 600                           | 355 931                                       |
| 3 525 867                     | 3 020 666                          | 505 201                           | Electricity                                                    | 3 818 900                     | 3 414 107                          | 404 793                           | (224 232)                                     |
| 1 729 726                     | 1 460 329                          | 269 397                           | Water                                                          | 1 975 751                     | 1 504 944                          | 470 807                           | 580 163                                       |
| 22 503 393                    | 21 300 424                         | 1 202 969                         | <b>TOTAL</b>                                                   | 17 915 709                    | 17 883 787                         | 31 922                            | (85 505)                                      |
|                               |                                    | 28 126                            | Appropriations for this year<br>(Refer to note 17)             |                               |                                    | 211 091                           |                                               |
|                               |                                    | 1 231 095                         | Net surplus / (deficit)<br>for the year                        |                               |                                    | 243 013                           |                                               |
|                               |                                    | (3 516 169)                       | Accumulated surplus /<br>(deficit) beginning of<br>the year    |                               |                                    | (2 285 074)                       |                                               |
|                               |                                    | (2 285 074)                       | <b>ACCUMULATED SURPLUS /<br/>(DEFICIT) END OF<br/>THE YEAR</b> |                               |                                    | (2 042 061)                       |                                               |

# **RICHTERSVELD MUNICIPALITY STATISTICAL INFORMATION**

## **a) General Statistics**

### i) Population

| <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 14,600      | 14,000      | 14,000      | 14,000      |

### ii) Valuation of property taxable

Date of valuation 01/10/1998

| <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 115,281,732 | 114,673,787 | 113,197,762 | 110,628,317 |

### Valuation of property non taxable

Date of valuation 01/10/1998

| <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 8,888,424   | 8,927,924   | 9,117,424   | 9,765,824   |

### iii) Valuation of residential property

| <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 98,357,414  | 97,796,969  | 96,391,999  | 94,005,999  |

### Valuation of commercial property

| <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 16,924,318  | 16,876,818  | 16,805,763  | 16,322,318  |

### iv) Number of residential properties

| <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 2,360       | 2,360       | 2,357       | 2,340       |

### Number of commercial properties

| <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 138         | 136         | 131         | 131         |

### v) Assessment rates : Cent in the Rand

| <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 0.019991    | 0.018701    | 0.015881    | 0.014988    |

### vi) Number of employees

| <u>2004</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> |
|-------------|-------------|-------------|-------------|
| 87          | 87          | 88          | 97          |

# RICHTERSVELD MUNICIPALITY

## b) Electricity Statistics

|                                         |                      |                      |                      |  |
|-----------------------------------------|----------------------|----------------------|----------------------|--|
| <u>i) Number of users</u>               |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| 1,559                                   | 1,548                | 1,538                | 1,412                |  |
| <u>ii) Units bought</u>                 |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| 9,622,873                               | 9,402,156            | 9,113,036            | 8,983,147            |  |
| <u>iii) Units sold</u>                  |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| 7,483,735                               | 7,653,393 <u>C</u>   | 8,263,431 <u>C</u>   | none <u>C</u>        |  |
| 1,481,529                               | 1,217,565 <u>Pre</u> | 1,007,921 <u>Pre</u> | 9,937,328 <u>Pre</u> |  |
| <u>iv) Units lost in distribution</u>   |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| 657,609                                 | 531,198              | 463,567              | 628,820              |  |
| <u>v) Units lost percentage of (ii)</u> |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| ± 7%                                    | 5.65%                | 5.00%                | 7.00%                |  |
| <u>vi) Cost per unit bought</u>         |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| 0.0793                                  | 0.1013               | 0.0833               | 0.0833               |  |
| <u>vii) Loss in distribution</u>        |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| 160,259                                 | 53,810               | 140,878              | 191,018              |  |
| <u>viii) Cost per unit sold</u>         |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| 0.3230                                  | 0.3130 <u>(R)</u>    | 0.3039 <u>(R)</u>    | 0.3039 <u>(R)</u>    |  |
| 0.3620                                  | 0.3500 <u>(B)</u>    | 0.3474 <u>(B)</u>    | 0.3474 <u>(B)</u>    |  |
| 0.4220                                  | 0.4081 <u>Pre</u>    | 0.4081 <u>Pre</u>    | 0.4081 <u>Pre</u>    |  |
| 0.2500                                  | 0.2425 <u>Bulk</u>   | 0.2425 <u>Bulk</u>   | 0.2425 <u>Bulk</u>   |  |
| 0.2170                                  | 0.2103 -             | 0.2003 -             | 0.2003 -             |  |
| <u>ix) Income per unit sold</u>         |                      |                      |                      |  |
| <u>2005</u>                             | <u>2004</u>          | <u>2003</u>          | <u>2002</u>          |  |
| R0.2437                                 | 0.2117 <u>(R)</u>    | 0.2206 <u>(R)</u>    | 0.2206 <u>(R)</u>    |  |
| R0.2469                                 | 0.2487 <u>(B)</u>    | 0.2641 <u>(B)</u>    | 0.2641 <u>(B)</u>    |  |

**RICHTERSVELD MUNICIPALITY**  
**c) Water Statistics**

|                                         |         |             |         |             |         |             |         |
|-----------------------------------------|---------|-------------|---------|-------------|---------|-------------|---------|
| <u>i) Number of users</u>               |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| 1,904                                   |         | 1,873       |         | 1,870       |         | 1,712       |         |
| <u>ii) Units bought</u>                 |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| ± 379320                                |         | 419,150     |         | 390,327     |         | 374,400     |         |
| <u>iii) Units sold</u>                  |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| ±                                       | 535,261 | C           | 227,468 | C           |         |             |         |
|                                         | 35,411  | Pre         | 17,575  | Pre         | 385,872 |             | 385,232 |
| <u>iv) Units lost in distribution</u>   |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| Meter Problem                           |         | 174,107     |         | 38,455      |         | 37,440      |         |
| <u>v) Units lost percentage of (ii)</u> |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| Meter Problem                           |         | 41.54%      |         | 10.00%      |         | 10.00%      |         |
| <u>vi) Cost per unit bought</u>         |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| 1.1847                                  |         | 1.3082      |         | 1.0770      |         | 1.0770      |         |
| <u>vii) Loss in distribution</u>        |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| Meter Problem                           |         | 227,767     |         | 142,668     |         | 131,040     |         |
| <u>viii) Cost per unit sold</u>         |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| 4.40                                    |         | 4.08        | (R)     | 3.71        | (R)     | 3.50        | (R)     |
| 4.70                                    |         | 4.36        | (R)     | 3.97        | (R)     | 3.75        | (R)     |
| 5.03                                    |         | 4.66        | (R)     | 4.24        | (R)     | 4.00        | (R)     |
| 5.35                                    |         | 4.96        | (B)     | 4.51        | (B)     | 4.25        | (B)     |
| 5.65                                    |         | 5.24        | (B)     | 4.77        | (B)     | 4.50        | (B)     |
| 5.01                                    |         | 4.64        | Pre     | None        | Pre     | None        | Pre     |
| 5.35                                    |         | 4.96        | Pre     | None        | Pre     | None        | Pre     |
| 5.91                                    |         | 5.48        | Pre     | None        | Pre     | None        | Pre     |
| <u>ix) Income per unit sold</u>         |         |             |         |             |         |             |         |
| <u>2005</u>                             |         | <u>2004</u> |         | <u>2003</u> |         | <u>2002</u> |         |
| 3.2153                                  |         | 2.771       | (R)     | 2.633       | (R)     | 2.423       | (R)     |
| 3.5153                                  |         | 3.051       | (R)     | 2.893       | (R)     | 2.673       | (R)     |
| 3.8453                                  |         | 3.351       | (R)     | 3.163       | (R)     | 2.923       | (R)     |
| 4.1653                                  |         | 3.651       | (B)     | 3.433       | (B)     | 3.173       | (B)     |
| 4.4653                                  |         | 3.931       | (B)     | 3.693       | (B)     | 3.423       | (B)     |
| 3.8253                                  |         | 3.332       | Pre     | None        | Pre     | None        | Pre     |
| 4.1653                                  |         | 3.652       | Pre     | None        | Pre     | None        | Pre     |
| 4.7253                                  |         | 4.172       | Pre     | None        | Pre     | None        | Pre     |